



INTERNATIONAL, INC.

POST MEETING REPORT
OF ANNUAL SHAREHOLDERS' MEETING
HELD APRIL 23, 1968

The Annual Shareholders' Meeting was held at 10:00 a.m. on Tuesday, April 23, 1968, at The Toledo Club, Toledo, Ohio. Presiding officer was Paul Putman, Chairman of the Board.

ANNOUNCEMENTS AND INTRODUCTIONS

Of 7,950,037 shares of Common Stock and 1,744,961 shares of Convertible Preferred Stock outstanding and entitled to vote at the meeting, a total of 9,695,008 shares were present in person or by proxy representing approximately 94.5 percent of the total shares entitled to vote at the meeting.

Also present were the directors and officers of the company; directors of A. G. Spalding & Bros. Inc.; officers of some of the subsidiaries of the company; a representative of Peat, Marwick, Mitchell & Co., the company's auditors; and several members of the press.

Following Mr. Putman's introduction of the company's directors and officers, and guests, Dunhill president, P. M. Grieve, commented on the company's operations during the first quarter of 1968.

HIGHLIGHTS OF PRESIDENT'S REMARKS

Mr. Grieve reported that first quarter sales and earnings continue to reach all time highs with each of the company's three major operating groups — auto parts, infant and children's products, and sports and leisure equipment — contributing to the increases. Mr. Grieve also commented on the following areas:

1. On the progress of shock absorber operations, which had been troublesome

in past years, sales volume in 1967 over 1966 was up 22.2 percent, earnings up 235.4 percent.

2. On Oil City Glass operations — the facilities were shut down last year for major renovation and rebuilding investment which approximated \$1,000,000. As a requisite of the investment, however, the employees of Oil City Glass Company were asked to extend the existing work contract until June of 1968. Employee cooperation was outstanding and the agreement avoided the industry-wide strike experienced in the glass container industry. The renovations were completed in February, and the facilities are now in full operation. Because of the shut down during the first part of the year, however, these operations showed a small continued loss for the first quarter.

3. As a part of the sale of Alfred Dunhill of London retail stores last June, it was required that the company change its name by June, 1969. We are not ready to recommend a change of name but have employed the professional firm of Lippincott and Marquies to study this matter and make recommendations to the board of directors on the best procedure to follow in developing its new name.

4. Late last year the assets and related real estate of New York Dock Railway subsidiary were negotiated for sale. At this point progress is being made on conclusion of that transaction. It is before the New York Public Service Commission which is required to approve transactions of this type.

5. Sports equipment field — one of Spalding's competitors sometime ago introduced a new type of tennis racket, basically a steel frame racket with unique stringing requirements. Spalding now has an aluminum frame tennis racket with a strong sales advantage in that it can be strung on conventional stringing equipment (which the competitor's racket cannot) thus enabling tennis professionals to restring the rackets. As they say in tennis, "It's Spalding's serve."

6. The company's counsel reports that a lawsuit filed against our company by Columbus Automotive Corporation (which has been carried in our annual report footnotes for several years) has now been finally concluded in our favor. This is certainly a victory for our company.

7. Regarding plans for further growth, our company has a well-defined acqui-

sition policy and we have adequate credit to cover acquisitions. The company is interested in expanding, but not beyond areas of interest in which we already have established operations. There are no acquisitions that are ready for announcement at this time.

8. Closing on a particularly bright note, Mr. Grieve announced first quarter sales were up 10.4 percent, while earnings were up 24.3 percent. Actual figures for the first quarter ending March 31, were:

	<u>First Quarter 1968</u>	<u>First Quarter 1967</u>
Net sales	\$49,269,153	\$44,635,942
Earnings before taxes and provision for minority interests	4,979,770	4,051,553
Net earnings	2,208,697	1,777,272
Net earnings per share	.23	.18

Subject to explanatory notes appearing in quarterly report.

Following Mr. Grieve's remarks, Mr. Putman asked for general discussion and questions from the floor.

DISCUSSION

The short discussions that followed were generally complimentary remarks concerning the company's financial ability to continue its published acquisition program.

QUESTIONS

Several questions were asked regarding areas of specific interest to the individual shareholders, i.e., performance of separate subsidiaries, increase in marketable securities and selection of the company's auditors. The youngest shareholder present was particularly interested in the price of the new Spalding tennis racket and was very pleased to find out it carries a slightly lower suggested retail price than those of Spalding's competitors.

ELECTION OF DIRECTORS

In addition to the nominees for directors named in the proxy statement, Mr. Fisher nominated Roderic B. MacDonald for director.

The nominees named in the proxy statement were elected, each receiving 8,878,835 votes. These nominees were:

Lore W. Alford
Reuben W. Askanase
John Goerlich
P. M. Grieve

Paul Putman
Morris Shilensky
Stephen Stranahan
Adolph O. Susholtz

Cyril R. Porthouse

250,552 shares were voted cumulatively resulting in 2,254,968 votes for Mr. MacDonald.

ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 10:55 a.m.

ELECTION OF OFFICERS

Immediately following the shareholders' meeting, the directors held their annual directors' meeting and re-elected the officers of the company as follows:

Paul Putman	Chairman of the Board of Directors
P. M. Grieve	President
C. R. Porthouse	Vice President
R. R. Hessler	Vice President — Finance and Treasurer
C. V. Beck, Jr.	Secretary and General Counsel
John Lawrence	Assistant Secretary and Assistant Treasurer
Paul Garvin	Assistant Secretary and Assistant Treasurer

C. Victor Beck, Jr.
Secretary